Chapter III
Strategic Market Driven IS/IT Planning Model

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ABSTRACT

IS literature continues to highlight the issues of strategic business and IT planning alignment to achieve business performance. As an alternative to the mainstream models in the planning and implementation of the IS/IT by an organization, this chapter proposes an externalized approach by identifying the market driven needs through the firm’s value proposition to the customer derived from the product/service consumption. The market based push-pull framework is to ensure that the push strategy of the firm in what it wants to offer and at a price that it intends to offer is matched with the pull strategy of the market in what it wants to buy and at a price it is willingly to pay. This externalized customer value is reconciled by the internalized firm’s creation and delivery of the value as proposed by the firm based on the reconciliation of the market-pull and firm-push value proposition affecting customer satisfaction. Once the market pull and firm push strategy is identified, the alignment of the IT would be based on the push-pull effect of the business requirement to serve and satisfy not only the internal customer needs but also the more important external customer needs and requirements in term of the firm’s value proposition. The IT as a key enabler would be the main enabling mechanism to create and deliver on the value as proposed to the customer. A case study of how a university revamp its Information Management System by aligning the external and the internal elements is used to illustrate this reconciliation in its market driven IS/IT planning. The “market driven IS/IT” planning model is the base of the strategic integration of the internal and external elements that is contended to address the key planning issues in a more integrated and comprehensive way.
INTRODUCTION

A McKinsey Survey of CIO agenda for 2007 suggested a trend of migration to service oriented architectures and lean manufacturing (Akella et al., 2006) that embraces a global standard for interactions of internal and external partners. The interactions was defined clearly by Viswanathan’s (2006) white paper that recommended the need of a move towards a single plan that is truly cross-functional and a multi-dimensional process that includes all elements of demand, supply and financial analysis in relation to the business planned goals and strategies with technology as the enabler of matching the market and the firm interactions. The emphasis on inter-disciplinary internal players of marketing, sales, finance and operations to manage the processes and support it with the right metrics and increased collaborations with customers is a must. LaValle and Scheld’s (2004), 2005 CRM Done Right Executive Decision Maker Research and IBM’s advocacy in the customer focused enterprise (Hefferman and LaValle, 2006) in support of the above highlighted the following:

- Decision makers emphasis on delivering on promises and improving the customer experience with 30% agreeing that ensuring promises and improving total customer experience as top concerns.
- Most companies have shortcomings in understanding their customer experience with 26% being superficial and 53% having generalized understanding.
- Marketplace leaders see real returns with 79% of consumers committing to a deeper product or service relationship with a brand after a satisfying experience due to the focus on the customers. 74% of the customer experiences are in the tactile/operational aspects that emphasized on the physical qualities of the interactions like consistency, availability or convenience. Only 17% focused on the emotive aspects that are more intangible and subjective like trustworthiness, genuine or emphatic.

With the trend of the firm leaning heavily towards customer focus (Hefferman and LaValle, 2006 and LaValle and Scheld, 2004), customer orientation (Kohli and Jaworski, 1990; Deshpandé and Webster 1998; Narver and Slater 1990; Deshpandé et al. 1993), the key issue is whether the traditional approach to IS/IT development and deployment (Lederer and Gardner, 1992; Lederer and Salmena, 1996; and Rogerson and Fidler, 1994; Gliedman and Brown, 2004; Burn, 1991; Martin, 1989; and Premkumar and King, 1994; Lau and Pun, 2000) is still a valid approach.

As also noted by Akella et al., (2006) and Viswanathan, (2006), interactions of internal and external partners and cross-functional and a multi-dimensional process is the new standard of the name of the new game. The issue would be whether the firm is properly aligned with the customer’s focus and whether the IS/IT resources are actually well positioned to create and deliver on the value proposed. Based on this, the objective of this chapter is to explore a market driven IS/IT planning model that reconcile the market’s focus with the firm’s push of its product and service offer that creates and delivers on the customer value proposition through the deployment of the IS/IT as enablers that are aligned with the cross-functional and multi-dimensional aims. This is important as the firm is an organic interaction and inter-play of all functional aspects and its operations systems and sub-systems to achieve the same goals of the firm.

INFORMATION SYSTEMS AND INFORMATION TECHNOLOGY PLANNING LITERATURE

In the main literature of Lederer and Gardiner (1992), Lederer and Salmena (1996) and Rogerson